

AN ACT

relating to authorizing the adjutant general to operate post exchanges on state military property.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 431, Government Code, is amended by adding Section 431.040 to read as follows:

Sec. 431.040. POST EXCHANGES ON STATE MILITARY PROPERTY.

(a) The adjutant general may establish and contract for the operation of not more than three military-type post exchanges similar to those operated by the armed forces of the United States on any real property under the management and control of the department. A post exchange may sell, lease, or rent goods and services, including tobacco products, prepared foods, and beer and wine but not distilled spirits. The adjutant general may designate facilities located on department property to use for purposes of this section.

(b) The adjutant general shall adopt rules to govern post exchanges established under this section that are similar to the procedures, policies, and restrictions governing exchanges of the Army and Air Force Exchange Service, including rules that require an individual to show identification that indicates that the individual is qualified to buy, lease, or rent goods at the post exchange.

(c) The adjutant general shall contract with a person to

1 operate a post exchange created under this section.

2 (d) A post exchange may sell, lease, or rent goods and  
3 services only to:

4 (1) active, retired, and reserve members of the United  
5 States armed services;

6 (2) active and retired members of the state military  
7 forces;

8 (3) full-time employees of the adjutant general's  
9 department; and

10 (4) dependents of an individual described by  
11 Subdivisions (1)-(3).

12 (e) The post exchange services account is a company fund  
13 under Section 431.014 and may be used in a manner authorized by the  
14 General Appropriations Act for local funds. The post exchange  
15 services account is exempt from the application of Sections 403.095  
16 and 404.071. The account consists of:

17 (1) money received from the operation of post  
18 exchanges created under this section; and

19 (2) all interest attributable to money held in the  
20 account.

21 (f) A post exchange created under this section may sell  
22 goods and services, including beer and wine but not distilled  
23 spirits, for off-premises consumption if the operator of the  
24 exchange holds the appropriate license or permit issued by the  
25 Texas Alcoholic Beverage Commission. The licensee or permittee  
26 shall comply in all respects with the provisions of the Alcoholic  
27 Beverage Code and the rules of the Texas Alcoholic Beverage

1 Commission.

2 (g) Chapter 94, Human Resources Code, does not apply to  
3 vending facilities operated at a post exchange.

4 SECTION 2. Subchapter H, Chapter 151, Tax Code, is amended  
5 by adding Section 151.344 to read as follows:

6 Sec. 151.344. POST EXCHANGES ON STATE MILITARY PROPERTY.

7 (a) A taxable item sold, leased, or rented to, or stored, used, or  
8 consumed by, a post exchange under Section 431.040, Government  
9 Code, is exempt from the taxes imposed by this chapter.

10 (b) A taxable item sold, leased, or rented by a post  
11 exchange under Section 431.040, Government Code, is exempt from the  
12 taxes imposed by this chapter.

13 SECTION 3. This Act takes effect immediately if it receives  
14 a vote of two-thirds of all the members elected to each house, as  
15 provided by Section 39, Article III, Texas Constitution. If this  
16 Act does not receive the vote necessary for immediate effect, this  
17 Act takes effect September 1, 2011.

S.B. No. 1732

David Dewhurst  
President of the Senate

Joe Straus  
Speaker of the House

I hereby certify that S.B. No. 1732 passed the Senate on April 21, 2011, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 27, 2011, by the following vote: Yeas 31, Nays 0.

Letsy Graw  
Secretary of the Senate

I hereby certify that S.B. No. 1732 passed the House, with amendment, on May 23, 2011, by the following vote: Yeas 146, Nays 0, two present not voting.

Robert Haney  
Chief Clerk of the House

Approved:

17 JUN '11  
Date

Rick Perry  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
4 PM O'CLOCK

John Mark  
JUN 17 2011  
Secretary of State